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**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE**

**POST GRADUATE PROGRAM**

# **The effect of leadership style on employee job satisfaction: The case of Ethio-telecom**

**A Research Project Submitted to Addis Ababa University, School of  
Commerce in Partial Fulfillment of the Requirements for Master's Degree of  
Business Leadership**

**By: Tsehay G/Hiwot**

**Advisor: Dr. Zegeye Muluye**

JUNE, 2022

Addis Ababa, Ethiopia

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*Approved by Board of Examiners*

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# *Letter of Certification*

This is to certify that Tsehay Gebrehiwot carried out his project on the topic entitled “**The effect of leadership style on employee job satisfaction: The case of Ethio telecom**”. This work is original in nature and is suitable for submission for the award of Master Art in Business Leadership.

---

*Dr. Zegeye Muluye*  
*(The Research Advisor)*

# *Declaration*

I, Tsehay Gebrehiwot, announce that the study — The effect of leadership style on employee job satisfaction the case of Ethio telecom, is the outcome of my own effort and study and that all sources are used for the study have been duly acknowledged. I have produced it independently except for the direction and support of the Research Advisor.

This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of MA in Business Leadership.

By: Tsehay Gebrehiwot

Signature\_\_\_\_\_

Date\_\_\_\_\_

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## Abstracts

*Different factors are leading to employee dissatisfaction in ethio telecom and leadership style exercised throughout the company is considered as one of the reasons for their dissatisfaction and the purpose of this study is to examine the effect of leadership style on job satisfaction in ethio-telecom. The data is collected through primary which is all the non-managerial employee of ethio-telecom employing simple random sampling of probability sampling and secondary data. Total number of 365 questionnaires were distributed and 354 were properly filled and returned by using (MLQ) Multifactor Leadership Questionnaire and (JSS) Job Satisfaction Scale. The collected data is analyzed using through SPSS version 26. The study applied descriptive research design and Correlation and regression analysis. The study found out that Transformational leadership style, Transactional Leadership style and Laissez Faire leadership statistical and significantly affect the overall job satisfaction of ethio telecom employees.*

**Keyword: Job Satisfaction, Transformational leadership, Transactional Leadership, Laissez Faire leadership**

## Acronyms

ANOVA	= Analysis of Variances
HR	= Human Resource
LTE	= Long Term Evolution
SHRM	= Strategic Human Resource Management
SPSS	= Statistical Package for Social Sciences
STE	= Safaricom Telecommunications Ethiopia
US	= United State

## CHAPTER ONE

### 1. INTRODUCTION

This chapter presents an overview of the entire thesis. It covers the background of the study and organization, Problem of the statement, Research objectives, Research questions, Significance, Scope and organization of the study.

#### 1.1. Background of the Study

Hierarchical initiative is an administration approach in which pioneers assist with defining vital objectives for the association while persuading people inside the gathering to effectively perform tasks in support of those objectives.

According to Bernard, Leadership is an interaction by which a chief can direct, guide and impact the conduct and work of others towards achievement of explicit objectives in a given circumstance. Initiative is the capacity of an administrator to actuate the subordinates to work with certainty and energy.

Yukl (2013) defined leadership as “the process of facilitating individual and collective efforts to understand and realizing what is to be done also how and the shared objective by influencing the people.”

The adequacy of the leader is an element of different hierarchical conditions, a few individual and relational practices. Leaders’ adequacy shows the significance of self-conciliatory work that will carry extraordinary advantages to the leader’s association. As a rule, the viable practices of leaders decidedly affect their devotees and at last on friendly frameworks.

There are three different leadership style highly exercised in different companies by different leaders. i.e. Transformational leadership, transactional leadership and laissez faire.

According to Northouse, Transformational leadership focuses on the leader as the follower’s source of inspiration to exceed expectations. They have a charming personality and magnetism that draws followers to them, and they provide encouragement and support that inspires followers to want to meet their goals.

And transactional leadership, in contrast focuses strictly on the interchange between leaders and followers, specifically what is the benefit to each party to complete the goal while Laissez-faire Leadership describes a complete lack of leadership, where followers have virtually no contact with, or support provided by the leader.

Job Satisfaction is characterized as the degree of satisfaction of employees feel with their work. This goes past their everyday obligations to cover fulfillment with colleagues/supervisors, satisfaction with authoritative approaches, and the effect of their occupation on workers' very own lives.

For the first time in several years, the number of employees who say they are satisfied with their current job took a big jump, rising from 81% in 2013 to 88% in 2016, according to the Employee Job Satisfaction and Engagement Report by the Society for Human Resource Management (SHRM).

Most companies make progress toward employee satisfaction, however not all achieve this objective. That is the reason HR experts should find out about the variables that can expand employee satisfaction, and how it squeezes into an organization's general achievement.

## 1.2. Background of the Organization

**Ethio Telecom**, formerly known as the **Ethiopian Telecommunications Corporation**, is an integrated telecommunications services provider in Ethiopia, providing voice, data and short messaging services. Ethio Telecom is owned by the Ethiopian government and maintains a monopoly over all telecommunication services in Ethiopia.

As a continuation of the 2005/06-2009/10 five-year plan and after concentrating its efforts on education, health and agriculture, the Ethiopian government decided to focus on the improvement of telecommunication services considering them as key lever in the development of Ethiopia. As per the big restructuring and reengineering done, the company come up with the new name, Ethio telecom on 29 November 2010, from this ambition of supporting the steady growth of our country. [www.ethiotelecom.et](http://www.ethiotelecom.et)

Consequently, the country's telecom infrastructure and services have been transformed to world-class standards to facilitate the development of the country with a great paradigm shift in the improvement of the sector.

Ethio telecom were the sole telecom provider in the country for the last couple of decades until the Ethiopia's telecommunications agency has awarded an operating license to a consortium led by Kenya's Safaricom. The company is going to confront contest from Safaricom Telecommunications Ethiopia (STE), in an association with sister companies Vodacom and Vodafone, alongside other strong supporters.

Currently, ethio telecom serving more than 57 million active customers throughout the country by building huge network capacity, implemented 4G advanced LTE network for more than 100 major cities and planning to pilot 5G mobile as it prepares for competition at the beginning of 2022.

Ethio telecom have 15 thousand plus permanent employees and more than 10 thousand contract employees under active supervision of the reformed management team. The company created opportunity for more than 150 thousand direct beneficiaries and 1.5 million indirect beneficiaries from the partnering services.

Ethio telecoms vision is to be a world-class telecom service provider. Its missions are Connect Ethiopia through state-of-the-art telecom services, provide high quality, innovative and affordable telecom products and services that enhance the development of our nation and ensure high customer satisfaction, build reputable brand known for its customers' consideration, build its managerial capability and manpower talent that enables Ethio telecom to operate at international level and support community and environmental development.

And the values of company are Customer-centric; we provide quick response to our customers and employees in line with their interests and values, Excellence; we are committed for quality and efficiency so that we are able to ensure excellent customer experience, Accountability; we carry out our activities with integrity, transparency, honesty and full responsibility, Impartiality; we are committed to be impartial and serve without any bias, Sharing; we always strive in synergy so as to accomplish the mission of our company. ([www.ethiotelecom.et](http://www.ethiotelecom.et))

### 1.3. Statement of the problem

Organization should give much focus on the leadership style because it helps to achieve employee job satisfaction in turn also affects the goal, objectives and productivity of the organization as a whole (Chiok, 2001.)

Employee satisfaction leads employee productivity, and higher efficiency implies more noteworthy help and worth to your clients. Worker fulfillment raises representative usefulness, and this worth prompts expanded consumer loyalty and unwaveringness, which advances benefit and proceeded with progress.

The benefit and remuneration package of non-managerial employees working in the same and related industry are much better than ethio telecom. Thus, most of ethio telecom specialist and experts left their company for other in search of better benefits. Ethio telecom Human resource department report shows the turnover of non-managerial employee increases from time to time. In the employee exit form or non-disclosure agreement to be signed by resigning employee requires a feedback on why employees are leaving the company and most of the feedbacks are unlike there are different pushing factors they were happy staying there. , some of the factors are, Salary, Fringe benefits, administrative issue, better challenge and the like, and all these problems are leading the organization to be unproductive as expected.

Atkinson and Messy, (2013). contend that monetary motivators habitually are recommended as a strategy for motivating and enhancing the performance of people. employee benefit programs greatly affect work-motivation than efficiency, at ethio telecom employee benefit programs are most profoundly valued by all employees. The benefit packages and the remuneration are adopted from international benchmarks which considers the countries payment schema, which is to be revised anytime necessarily.

Even though, Ethio telecom is a big company with large number of employees and customer base who works to improve the company time to time by implementing recommended different world standards, the company is challenged by bad customer service, poor service quality and huge customer complain.

However, the reform of the leadership shows some improvement in some aspect of the company, but all the above-mentioned issues are still affecting the company's growth and it is essential to obtain more understanding of the impact of these factors on employees' job satisfaction.

According to Mintzberg (2010) true leaders engage others with their consideration and modesty because they involve themselves in what they are actually doing not for individual gains.

Therefore, the purpose of this study is to fill the gap observed in the organization by examining the effects of leadership style on employee job satisfaction at ethio telecom.

#### 1.4. Research Questions

- What is the effect of Transformational leadership style on job satisfaction?
- What is the effect of Transactional leadership style on job satisfaction?
- What is the effect of Laissez-faire leadership style on job satisfaction?
- What type of leadership style is dominant at ethio telecom?

#### 1.5. General objective

The General objective of the study is to assess the effect of leadership style on the impact of employee job satisfaction in Ethio telecom.

#### 1.6. Specific Objectives

1. To explore the effect of the Transformational leadership style on job satisfaction.
2. To determine the effect of the Transactional leadership style on job satisfaction.
3. To determine the effect of the Laissez Faire leadership style on job satisfaction.
4. To assess the dominant leadership style at ethio telecom.

#### 1.7. Significance of the study

Assuming that, the company has some knowledge into the leadership style that outcomes in the most elevated levels of worker satisfaction, and the most widely recognized style followed at a particular area accordingly of the impact of public culture, they could make the fundamental moves to improvement.



The ideal style for its leaders and keep their employee satisfied. This research helps ethio telecom with this knowledge of distinguishing and growing better leadership style that boosts workers' job satisfaction as well as adding an assortment of information for additional exploration.

Further, the company would profit from this exploration result in arranging future the management improvement plot and guaranteeing the satisfaction of its workers by advancing the best administration style.

### 1.8. Scope of the study

Though all ethio telecom employee's job satisfaction is affected by the leadership style applied throughout the company due to time constraint, COVID 19 pandemic protocol and the war and the piece issue in the countries which limits the researcher not to travel in to the regions, this study focused only on employees who are working at Addis Ababa specifically on corporate offices.

The study is conducted on five corporate offices (Head Quarter, Lagahar Office, TPO, Dil Betigil Building, EYOR Building) which located in central Addis Ababa, and it addresses 4180 non-Management employees.

### 1.9. Organization of the study

This study has five parts with well-established sections in each part. part one is the introduction part, part two contains review of literature, part three contains Research methodology, part four is data collection, analysis and presentation and part five, the final part, deals with finding of the study, conclusion, and recommendation.

## CHAPTER TWO

### 2. REVIEW OF RELATED LITERATURES

This chapter presents the overview of current literature in the frame of the presented research problem. Each of the bodies of literature is discussed which is focus on the specific nature of the relevant literatures that relates to this study.

In addition, each independent variables and a dependent variable will be reviewed on previous studies that are related to this topic.

#### 2.1. Job satisfaction

Job satisfaction refers to a person's sense of fulfillment on the job, which serves as an incentive to work. It is not self-satisfaction, pleasure, or contentment that is important, but rather work satisfaction Hari G Krishna and N. Maithreyi, (2016). Job satisfaction refers to an individual's overall connection with the employer for which he is compensated. Satisfaction is defined as the simple sensation of having achieved a goal or purpose. Dissatisfaction with one's job leads to a lack of drive at work. The elements that contribute to job satisfaction and job discontent are described differently by research professionals. Job satisfaction, according to Hoppock, is "any combination of psychological, physiological, and environmental conditions that lead a person to legitimately state I am content with my job." ([www.businessmanagementideas.com](http://www.businessmanagementideas.com) )

Employee job satisfaction is the assortment of feeling and convictions that individuals have about their present place of employment. Individuals' levels of levels of occupation fulfillment can go from outrageous fulfillment to outrageous disappointment. Additionally, People also can have attitudes about various aspects of their jobs such as the kind of work they do, their coworkers, supervisors or subordinates and their pay (George et al., 2008).

Employee Loyalty is one of the main factors that human resources division specifically should have as a primary concern. Worker faithfulness as usually estimated with the Loyalty Questionnaire and can cause genuine adverse results when not in a significant level.

Several factors come together to determine the job satisfaction including pay, work, supervision, promotion, co-workers and work environment, as well as the demographic attributes of the employees and the broader social, organizational, and human contexts constituting the totality of work environment (Shah, S., & Jalees, T. 2004).

Spector (1994) was developed a measurement tool to fulfill the needs for human services to have an instrument to measure employee job satisfaction, and some of the elements are pay, nature of work, promotion, coworkers and benefits which is describe below in detail.

### **Pay and Job satisfaction**

Employee pay and its administration are considered important drivers of critical employee outcomes (Trevor & Wazeter, 2006). Most literature stated Pay has a positive relation with employee job satisfaction in addition to other related factors.

The latest CNBC/SurveyMonkey Workplace Happiness Index shows higher-income earners across the board are more satisfied with their jobs, find more meaning in their work and are less likely to consider quitting than those in lower income brackets. While all age groups surveyed say “feeling that your work is meaningful” is the most important component of workplace happiness, sweetening the pot with a higher paycheck still goes a long way in keeping employee morale high.

Andrew Challenger, vice president at Challenger, Gray & Christmas, the oldest staffing firm in the U.S., said workers often answer the question about work satisfaction by weighing whether or not the value they contribute to the workforce is reflected in the size of the paycheck they receive. <https://www.cnbc.com/2019/07/16/perhaps-money-can-buy-you-happiness-at-least-at-work.html>

Pay is an imperative factor for job satisfaction, however other related factor is like promotion, recognition, job involvement and commitment are also taken into account (Heywood, et el 2006.)

## **Nature of work and Job satisfaction**

As many studies indicated there is a positive relationship between nature of work and job satisfaction. The findings of a Danish study suggest that a firm can increase its productivity through the improvement of physical dimensions of work environment (internal climate) and may have a positive impact on firms' productivity (Buhai, Cottini, & Nielsen, 2008). Thus, most finding suggests that to realize productivity leaders should understand the importance of good working environment for maximizing employee's job satisfaction.

Baah and Amoako (2011) described that the motivational factors (the nature of work, the sense of achievement from their work, the recognition, the responsibility that is granted to them, and opportunities for personal growth and advancements) helps employees to find their worth with respect to value given to them by organization. Therefore, nature of work should be designed throughout the company considering employee inspiration and satisfaction by implementing training and development program, career path and promoting growth as well as standard talent acquisition which creates conducive work environment.

## **Promotion and Job satisfaction**

Different studies reveal that employers may think using promotions as regular measurement to increase employee productivity and job satisfaction. Using cross-sectional data on British nurses, Shields and Ward (2001) find that dissatisfaction with promotion and training opportunities have a stronger effect on intentions to quit than dissatisfaction with workload or pay. This shows that companies must focus on promotional strategy to enhance employees job satisfaction.

Promotion is one of the key factors to enhance employee's efficiency and effectiveness in addition to job satisfaction. Finding shows promotion results an employee start working the work of other employees or looking for additional responsibilities. Promotion enforces employee engagement, reduces absenteeism, create team esprit, enhance morale, build trust between parties and increase productivity efficiently.

To get the satisfied employee due to promotion the promotional process, policy and strategy must be implemented wisely and as per the standard, failing to do this might lead the promotion otherwise. Many researchers give their opinion that job satisfaction is strongly correlated with promotion opportunities and there is a direct and positive association between promotional opportunities and job satisfaction (McCausland, et el 2005).

### **Coworkers and Job Satisfaction**

Satisfaction with a supervisor and coworkers are arguably prominent predictors of the affective commitment of employees, and the condition of relationships with colleagues play a crucial role in determining emotional attachment to the organization. McCormack (2006) asserted that a better relationship with the leader and subordinates is positively correlated. Similarly, the bond with the coworkers and affective commitment of employees are significantly correlated (Harris & Cameron, 2005).

Organizational identity is a type of social identity whereby employees incorporate the organizational goals, attributes, and achievements, which results in a sense of belonging to the organization (Mael & Ashforth, 1995). Employees with similar values, norms, attributes, and aspirations to their colleagues are inclined to relate with them and experience a sense of belongingness, strong interpersonal bond, and positive effect (Harris & Cameron, 2005).

A better relationship with colleagues decreases stress and promotes cooperation. Similarly, the promotion opportunity enables employees to achieve their career goals, compatibility between the employees' attributes and job content and context strengthen their willingness to remain in their respective organizations (Harris & Cameron, 2005).

As Hodson (1997) highly claimed, the social relations of the workplace might make a key contribution to employees' job satisfaction, productivity, and well-being. Coworker support refers to co-workers assisting one another in their tasks when needed by sharing knowledge and expertise as well as providing encouragement and support (Zhou & George, 2001). All these findings imply that, there is a positive relationship between coworkers' relationship and employee job satisfaction that leaders to working on it.

## **Benefits and Job Satisfaction**

Benefits can play an important key role to increase employee's satisfaction in the work environment. Uppal (2005) uses a measure comprised of the number of benefits employees receive and finds that this is positively related to job satisfaction.

In the views of Mathis and Jackson (2003), fringe benefits are forms of indirect compensation given to an employee or group of employees as a part of organizational membership. Fringe benefits, or that part of the total compensation package other than pay for time worked provided to employees in whole or in part by employer payments, play a major role in the structuring of compensation packages (Williams, 1995:1097).

Mathis and Jackson (2003) believe that an employer that provides a more attractive benefits package often enjoys an advantage over other employers in hiring and retaining qualified employees when the competing firms offered similar base pay. Which means attractive benefits might retain qualified employees in the company that implies the productivity will be increased and the employees are more satisfied with the benefits provided.

While Milkovich and Newman (2004) believe there is still some debate over fringe benefits on whether they facilitate in employee productivity leading to organizational performance and do benefits impact on an organization's ability to attract, retain and motivate employees leading to productivity and improved organizations' performance. Some researchers still argue that even though they agreed as there is a positive relationship between benefits and job satisfaction, but some fringe benefits are found as insignificantly related with job satisfaction. In addition, employee's engagement will be enhanced to produce quality product for the organization by the confident and satisfied employee created.

## **Supervision and Job Satisfaction**

According to Putter (2013), the support can be in terms of emotional, instrumental, and at the same time support which are provided before and after the training program. Providing feedback also would be a form of supervisor support (van der Klink et al., 2001). This is because feedback is relatively seen as part of supervisor support whereby the supervisor identifies which area of their employees needs to be improved, encouraging them to join the training program, and help them to apply the learned skills upon completing their job.

This will work by assessing the gap between the desired competence and the level of the employee to provide the necessary training and development using different alternatives to fill the gap and to make ready the employee which produced effective and confident employees.

Apart from that, Ismail et al., (2010) stated that supervisors are also responsible for allocating budget for their employees' developmental purposes. This is because, each individual has the right to increase their knowledge, skills, and abilities, and hence, this can only be achieved when they undergo the training program provided by the organization. Having a good training and development program might help the company to have a competent and ready for any change employee anytime required.

Research demonstrates that a positive relationship exists between supervision and job satisfaction (Koustelios, A. D. 2001). Supervision forms an important role in job satisfaction. This role is evident in terms of the ability of the supervisor to provide emotional and technical support as well as guidance with work-related assignments (Robbins et al. 2003). Employees are satisfied with the supervisory support they get from their superiors as a technical and emotional support as well as work-related support. This leads to create harmonious relationships between supervisors and their subordinates in the company which increase productivity and high employee satisfaction.

The supervisor's attitude and behaviour toward employees may also be a contributing factor to job-related complaints (Sherman, W., & Bohlander, W. 1992). Supervisors with high relationship behaviour strongly impact on job satisfaction (Graham, M. W., & Messner, P. E. 1998).

Wech B. (2002) supports this view by adding that supervisory behaviour strongly affects the development of trust in relationships with employees which may, in turn, have a significant relationship with job satisfaction. Employees are satisfied when they build a trust with their superiors and their company too, which smooths their working environment.

## 2.2. Leadership Concept

Leadership ideas are a characteristics of leadership style that management team should think of during the implementation of a leadership style and while managing a group of people under their supervision. These concepts are concerned with beliefs and perceptions about leaders' characteristics and how they should operate in a leadership capacity. Furthermore, leadership principles assist professionals in understanding what abilities and character qualities to cultivate to progress in leadership jobs ([www.indeed.com](http://www.indeed.com)).

Leadership concepts contrast with leadership theories in various ways. Leadership concepts, for example, often serve as a guideline for professionals to utilize when developing a leadership style, interacting with teams, and guiding processes. Leadership theories often center on numerous studies into the notion of using diverse approaches, styles, and tactics to lead a team.

Leadership concepts include the styles, characteristics, and principles of many ways to lead a team of personnel. Leadership ideas are essentially based on several management theories. These attributes serve as a baseline for competent managers, supervisors, and other positional leaders. Furthermore, leadership concepts guide the development of standard management styles and attitudes and are frequently inclusive of characteristics such as personality and character, initiative, motivation, influence, decision-making competencies, and other philosophies that serve as the foundation of many incorporated leadership styles. On the other hand, Leadership theories investigate the characteristics of influential leaders, such as the attributes, behavioral patterns, and activities of practical and powerful leaders. Leadership theories seek to explain what makes excellent leaders by emphasizing the many behaviors and attributes that professionals might cultivate to become successful leaders ([www.indeed.com](http://www.indeed.com)).

Leadership theories are classified into five categories: trait, behavioral, managerial, relational, and situational theories. Each of these ideas is founded on unique foundations that are anchored in how a leader acts, leads a team of people, makes decisions, and reacts to various situations. ([www.indeed.com](http://www.indeed.com)). Leadership principles are derived from several leadership ideologies. A fundamental notion of situational theory, for example, is how a leader responds to a circumstance.



Table 1 provides numerous more leadership principles derived from leadership theories.

Types of leadership concepts	Description/ Definition
Honesty and Integrity	Integrity and honesty are two important attributes that come under trait leadership theories. Individuals who are honest and trustworthy become good leaders because these characteristics typically relate to acting in the best interests of their colleagues, teams, and organizations as a whole.
Ability to resolve conflict	While difficult events are not always prevalent, they will occur during your work. To operate well in a leadership post, strong conflict resolution skills are required. This leadership idea is situational in nature, requiring leaders to face challenges directly, cooperate with their teams to generate solutions, and evaluate the results of their problem-solving efforts.
Two-way communication	Effective team management needs more than just guiding and delegating. Exceptional leaders listen to their teams' thoughts and viewpoints on every task that pertains to them. This two-way communication allows leaders to get vital information from various members of their teams while also providing constructive feedback and mentoring to their employees. This connection-building notion mirrors relational leadership theories, which emphasize the formation of strong work teams that collaborate to achieve common goals.
Adaptability	Capable leaders cultivate the versatility required to communicate with others in a variety of scenarios. Situational leadership theory is reflected in your capacity to change your management style, tactics, and strategies to a specific scenario. Furthermore, great leaders who are flexible to varied situations are extremely successful at networking, motivating their people, and keeping them interested.

Self-awareness	Is a skill required for any professional capacity, not only leadership. Leaders who realize their own limitations, know when to seek assistance, and have practice controlling their emotions and behaviors are excellent managers and supervisors. Controlling your reactions, regulating your emotions, and recognizing your capabilities are all characteristics of strong and effective leaders.
Empathy	Compassion, comprehending others' emotions, and listening to others' viewpoints are all leadership concepts that pertain to trait leadership theories and relational leadership theories. Building connections with coworkers, team members, and others in the workplace necessitates understanding, the pursuit of mutual interests, and an intentional effort to learn about each individual on a team. This builds trust, which leads to increased job satisfaction since employees feel at ease and secure in their supervisor.
Vision	Leaders with vision exemplify characteristic leadership theories in which innovation, originality, and the capacity to start and influence change are critical ideas in team management. Vision is defined in characteristic theories as the ways to empower, inspire, and engage people, and visionary leaders are frequently very prosperous.
Diplomacy	Dealing with tact, speaking with intent, and employing communication tactics that indicate ethical and professionally moral behavior mirror behavioral leadership ideas. These diplomatic principles encompass the abilities that leaders require to traverse the workplace as both a team or department manager and a worker of their employer.

Source: (www.indeed.com).

Table 1. Leadership Concept

## 2.3. Leadership Styles

Leadership Styles are the behavioral patterns that a leader adopts to influence the conduct of his followers, i.e. the manner in which he delivers directives to his subordinates and inspires them to achieve the assigned objectives ([www.verywellmind.com](http://www.verywellmind.com)).

### 2.3.1. Transformational leadership

Transformational leadership is frequently cited as the most effective type. Bernard M. Bass, a researcher, initially characterized this approach in the late 1970s and later built on it. Transformational leaders may inspire and encourage their followers while also directing good change in organizations. These leaders are often emotionally bright, dynamic, and enthusiastic. They are dedicated to assisting the organization in reaching its objectives and to assisting group members in reaching their full potential. According to research, this leadership style resulted in stronger performance and more group satisfaction than other leadership styles.

There are four main factors of transformational leadership. One is idealized influence or charisma, which describes leaders who are charming, and who have a compelling presence and an allure that attracts followers to want to be like them and help them achieve their goals. Another factor is inspirational motivation, which describes how leaders incentivize followers to participate in the achievement of their vision by convincing them their input is vital and irreplaceable. An additional factor is intellectual stimulation which describes how leaders incentivize followers by challenging them to think outside the box, encouraging creative expression and supporting them in all their endeavors to meet team goals. The final factor is individualized consideration, which describes leaders who are attentive to followers needs, who are sympathetic, and who provide an understanding atmosphere to them (Northouse, 2016).

#### **Idealized influence**

Idealized influence is the first element in transformational leadership style. This element allows the human to act in a way that motivates the followers to reproduce. Transformational leaders get acceptance from their followers and they want to be linked with their individuals.

Perseverance, determination and remarkable potentials are some of those characters that are admired by the peoples. This means that peoples have their own ideal behaviours, too as attributes that they have from their individuals. These peoples would want individuals who have a collective sense of work and the confidence that all obstacles can be overcome (Burns, 1978). Furthermore, much individuals with ideal behavior are consistently ready to take risks without compromising their moral and moral integrity.

### **Inspirational motivation**

Inspirational motivation is the vital trait of transformational leaders. Inspirational motivation gets more than just charisma; it is the true presentation and power of the leader to demonstrate clear connection to peoples. Light communication is the ability of the leader to convey his purpose and guidance to subordinates effectively, allowing them to understand this goal without confusion and doubt. Motivation and intuition are nurtured through the human 's ability to challenge and place meaning underneath the specified jobs. Providing this "reason" behind given objects and inviting subordinates to partake in the process of plans makes one "buy-in" and shared loyalty for all involved. The sense of use fuels the subordinates' decision to excel.

### **Intellectual stimulation**

Intellectual Stimulation (IS) is the third element of transformational leadership which is characterized by the activity of these followers ' innovativeness and ability. This is accomplished by criticizing premises, redefining questions, and suggesting new ways of addressing these existing challenges (Northouse, 2009). These individuals get all beliefs from their followers as far as alternatives of solving issues are concerned.

### **Individualized consideration**

The fourth and the final element is that Individualized Consideration (IC) where the leader brings the wants of each and every follower into consideration. This human acts as the intellectual for all and helps each one reach the desired highest potentials. The human behaves differently towards each follower without raising any important issues.

### 2.3.2. Transactional leadership

The leader-follower relationship is viewed as a transaction in the transactional leadership style. The individual has committed to obeying the leader because his authority is considered as the highest in the team of individuals. This is mostly indicated that the boss and the subordinate this is an employer-employee affiliation, which leads to get the outcome because the follower's expectation of promotion or award when he thinks he is successful or waits for punishment during his hard time.

There are two factors of transactional leadership. One factor is contingent reward, which means that the leader requests a task be completed, and a predetermined reward is given to followers upon completion of that task. The other factor is management by exception which involves the leader only giving feedback, in a negative manner, as a corrective measure (Northouse, 2016).

#### **Contingent reward**

Contingent reward is the foundational model for transactional leaders. Contingent reward is the practice through which the human specifies a specific job and comes to the agreement on the ending state with the subordinate; upon completion, the benefit is demonstrated based on satisfactory accomplishment. The different side of the factor is the usage of punishment as the primary consequence of unsatisfactory performance. Contingent advantage is trivial leadership that can be effective in environments of unchanging characteristics.

#### **Management by exception**

Management-by-exception provides the human to keep the status quo. The human intervenes when subordinates do not provide good performance levels and initiates disciplinary action to better performance. Management by example helps lessen the work of managers being that they are just called-in when workers differ from class. This kind of human describes the needs of their followers and gives rewards to fulfill those demands in exchange for a specific degree of performance.

### 2.3.3. Laissez-Faire (Delegative) Leadership

Lewin discovered that children who were subjected to delegated leadership or laissez-faire leadership, which is considered as the least productive of the other remaining leadership styles. This group's youngsters were also more demanding of the leader, exhibited less teamwork, and were unable to work alone. ([www.verywellmind.com](http://www.verywellmind.com))

Delegative leaders provide little or no instruction to group members and delegate decision-making to them. While this approach can be beneficial in instances involving highly skilled professionals, it frequently results in undefined tasks and missing determination. ([www.verywellmind.com](http://www.verywellmind.com))

Lewin observed that laissez-faire leadership generated disorganized organizations with members who blamed one other for mistakes, refused to accept personal responsibility, made less progress, and did less work.

The below indicates the empirical review and the related works which has been done by other authors in regard to the relationship between overall employee job satisfaction and leadership styles.

Overall result and finding of the paper entitled job satisfaction of employees in telecom industry which is produced by Hari G Krishna and N. Maithreyi the employees of telecom industry are having a very high job satisfaction and hence they are working with great enthusiasm and zeal to achieve their organization's goal. The research tries to explore the level of job satisfaction specifically in telecom industry by considering job satisfaction's determinants.

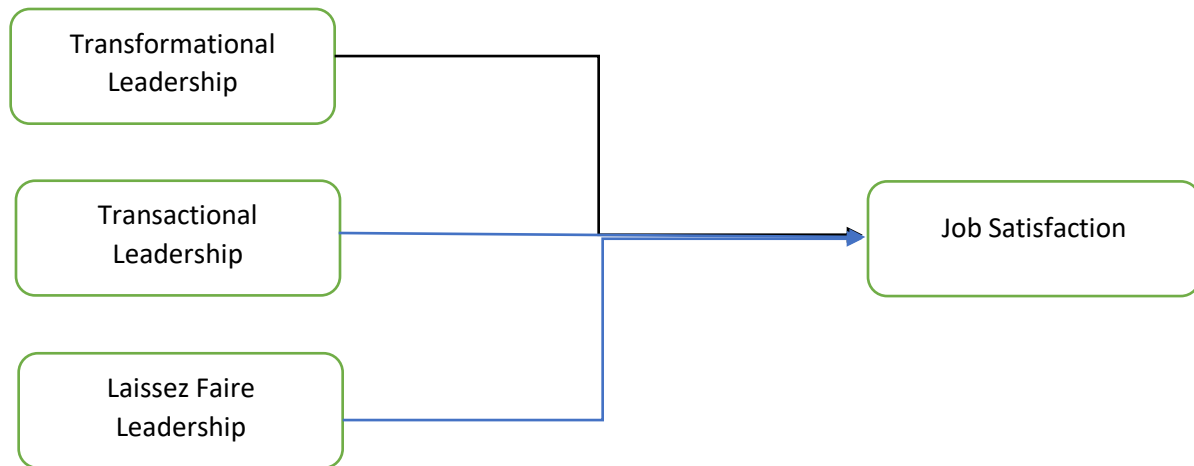
As abstracted by Hina Saleem on the paper of the impact of leadership styles on job satisfaction and mediating role of perceived organizational politics, research finding revealed that transformational leadership has a positive impact on job satisfaction and transactional leadership has a negative impact on job satisfaction. Findings also suggest that, perceived organizational politics partially mediate the relationship between both leadership styles and job satisfaction. That shows the leadership style mentioned are significantly related employee job satisfaction.

## Conceptual framework

Figure 1: Conceptual Framework of the study, adopted from Bass and Riggio (2006).

### Independent Variable

### Dependent Variable



### Hypothesis

1. Transformational Leadership is positively and significantly related with employee job satisfaction
2. Transactional Leadership is positively and significantly related with employee job satisfaction
3. Laissez Faire Leadership is negatively and significantly related with employee job satisfaction

## CHAPTER THREE

### 3. RESEARCH METHODOLOGY

#### 3.1. Research Design

The study used quantitative research designs, quantitative approach is used to investigate, measure and analyze the effect of leadership styles on employees' job satisfaction scientifically. Aliaga, and Gunderson (2002), describes quantitative research methods as the explaining of an issue or phenomenon through gathering data in numerical form and analyzing with the aid of mathematical methods, in particular statistics.

Descriptive research design is preferred for depicting the existing descriptive characteristics of the factors. The study applied descriptive research design and explanatory research design, Correlation and regression analysis. Correlation and regression analysis have been applied to explore the affiliation and cause and effect relationship between the independent variables; Leadership styles which are Transformational leadership, Transactional leadership, Laissez faire leadership and dependent variable; Job Satisfaction.

#### 3.2. Target Population and Sampling

Target population is the group of people where researcher is interested in analyzing to get relevant information for research purpose. The population refers to the whole group members, events, or things of interest that the study wants to find or desires to explore. (Sekaran & Bougie, 2009, p.262).

The target population of this study are all corporate offices employees (Head Quarter, Lagahar Office, TPO, Dil Betigil Building, EYOR Building) which are located in central Addis Ababa. There are 5063 permanent employees at corporate level as of November 2021 and out of these number 4180 employees are working at non-managerial level.

The research focused on non-managerial level workers since they are the one who are impacted by the leadership styles which exercised throughout the company and to lessen the predisposition which could be made while responding to leadership related inquiries. Thus, this research bars the managerial level employees.



The researcher employed simple random sampling technique of probability sampling in which each element of the total number of populations has an equal chance of being selected. Rationale for simple random sampling: selection was made from a specified five corporate offices and defined population. Each unit are selected with known and non-zero probability, so that every unity in the population has an equal chance of being selected.

The study used a 95 per cent level of certainty and 5% acceptable sampling error, as per the formula of Yamane Tore, this formula is an approximation of known sample size formulas for proportion at 95% confidence level and population proportion of 0.5. which helps to determine a reliable sample size for research title.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n: Sample size

N: Popn size

e : Degree of acceptable sampling error (0.05)

n: 4,180

$$1 + (4,180)(0.05)^2$$

n=365 non-managerial employees are participated.

### 3.3. Data collection techniques/ instrument

The researcher used both primary and secondary data. The primary data was collected from Ethio telecom non-managerial employees through questionnaires to examine the effect of leadership style on employee job satisfaction. The secondary data was collected from research journals and articles conducted on related titles, unpublished materials and internet.

To review leadership style and its impact on employee satisfaction the study used close-ended questionnaires. Multifactor Leadership Questionnaire (MLQ) Bass and Avolio, 2004 and job satisfaction scale (JSS) Spector, 1994, was applied to cover transformational, transactional and Laissez faire leadership styles and to measure factors like coworkers, pay, promotion, fringe benefits, supervision, contingent rewards respectively.

The questionnaire was adapted to satisfy the context of the research and was organized to address research questions expressed under first chapter. The research applied a five-point Likert Scale which are 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree. Likert scale is the most broadly utilized rating scale question types in a study.

### 3.4. Data Analysis and Presentation

The collected quantitative data that was analyzed with the help of SPSS version 26. Descriptive statistical data analysis techniques were used. To establish the relationship between the independent and dependent variables intercorrelation analysis were employed. To analyze the relationship between a single dependent variable which is Job Satisfaction and several independent variables which are Transformational leadership style, Transactional leadership style and Laissez-faire leadership style the research applied multiple linear regression model. The multiple regression models are expressed as below:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

**Where:**

Y = Dependent Variable

$\beta_0$  = Intercept (value of Y when X= 0)

$\beta_1$  = Slope

X1= Transactional leadership style

X2= Transformational leadership style

X3= Laissez-faire leadership style

$\varepsilon$  = the error

### 3.5. Ethical Considerations

To guarantee unanimity, volunteerism and secrecy of respondents the respondents were told the purpose of the study and their consent to participate in the study.

The respondents were also assured of confidentiality and anonymity. Anonymous questionnaire feedback from all respondents are required and all the questionnaire are filled and returned to the researchers accordingly and the information given was only used for academic purposes.

## CHAPTER FOUR

### 4. RESEARCH FINDINGS AND INTERPRETATIONS

In this chapter, the collected data has been analyzed and interpreted the effect of leadership style on employee job satisfaction using different instruments. Which consists of validity and reliability test, descriptive statistics of variable, Correlational and regression analysis.

Out of the total distributed questionnaires 354 (97% response rate) have been filled in and returned back by the respondents which are non-managerial level workers of corporate office in ethio telecom.

#### 4.1. Reliability and Response rate

##### 4.1.1 Reliability

Reliability discusses to the extent to which the items measure precisely and consistently what they intend to measure.

Reliability of the questions has been evaluated earlier than analyzing the distributed questionnaires. Based on George and Mallery (2003) the scale of Cronbach's alpha coefficient is Excellent if  $>0.9$ , Good if  $>0.8$ , Acceptable if  $>0.7$ , Questionable if  $>0.6$ , Poor if  $>0.5$ , and Unacceptable if  $<0.5$ . thus, since of Cronbach's alpha coefficient of this research is greater than 70% for all scale of variable, the collected data from respondents was precise and consistent with the scale.

#### Cronbach's Alpha

Measurement	No of Items	Cronbach's Alpha
<b>Transformational leadership</b>	7	0.834
<b>Transactional leadership</b>	5	0.757
<b>Laissez-faire leadership</b>	4	0.890
<b>Employee Job Satisfaction</b>	24	0.948

Table 2: Cronbach's Alpha

#### 4.1.2 Response rate

Table 3: Respondent's response rate

Response type	Frequency	%tage
Distributed Questionnaire	365	100%
Filled in and returned Questionnaire	354	97%
Non-returned questionnaire	11	3%

This research was targeted to evaluated the effect of leadership style on job satisfaction in ethio telecom using the distributed questionnaires and out of the total 365 distributed questionnaires 354 (97% response rate) have been filled in and returned back by the respondents which are non-managerial level workers of corporate office in ethio telecom. According to Mugenda and Mugenda (2003), 50 % response rate is adequate; 60% of response rate is good and 70% response rate and above is excellent for analysis and reporting which shows this response rate is excellent.

#### 4.2. Descriptive Analysis

##### 4.2.1 Employee Profile

The profile of non-managerial level workers of corporate office in ethio telecom are summarized by the following table.

Table 4: Non-managerial level workers of corporate office Profile

Variables	Description	Frequency	Percentage
Gender	Male	191	54%
	Female	163	46%
Age	20 - 25 Years	86	24%
	26 - 35 Years	101	28%
	36 - 45 Years	139	39%
	Above 46 Years	28	8%
Educational Qualification	Certificate/ Diploma	0	0%
	Bachelor Degree	247	70%
	Post Graduates Degree	107	30%
	Doctorate Degree	0	0%

Service Year	0 - 5 Years	13	4%
	6 - 10 Years	119	33%
	11-15 Years	130	37%
	Above 16 Years	92	26%

Source: Survey data

As it can be seen from the table above, the summarized profile of the respondents was more or less diverse with a majority of 54% and the remaining 46% are male and female respectively.

And the study shown in figure 2, that the majority of 70% of the respondents have bachelor degree and the remaining 30% have post graduate degree. While 24% of the respondents were happened to be in the age group of 20 - 25 Years, the 28% of respondents are in the age group of 26 - 35 Years, which drives the majority of the respondents 39% in the group of 36 - 45 Years and the remaining 8% is the age of Above 46 Years.

In relation to service year, except the least experienced respondents 4% with 0 - 5 Years the remaining all respondents are lies from 6 - 10 Years, 11-15 Years and Above 16 Years experiences which are 33%, 37% and 26% respondents respectively.

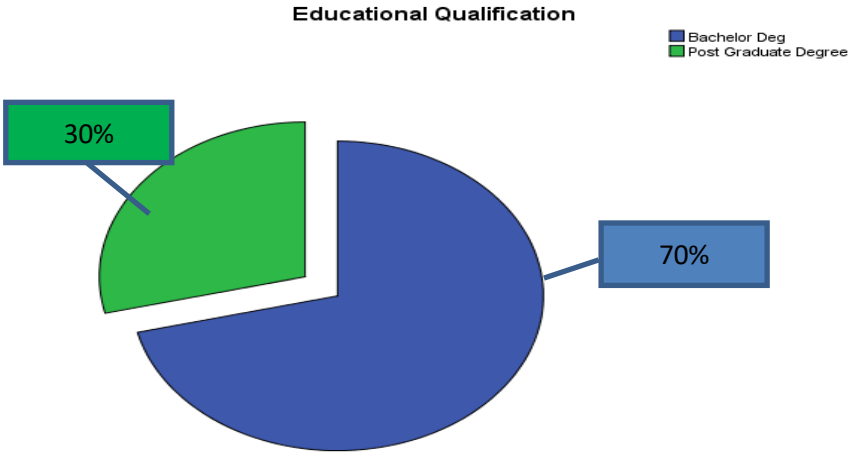


Figure 2 Level of education

#### 4.2.2. Analysis of Leadership style

In this section, the study presents the feedback of employees on Transformational leadership, Transactional leadership and Laissez faire leadership questions using descriptive analysis.

The below table indicates the agreement and disagreement level of employees on transformational leadership exercised throughout the company using different factors.

Table 5: Descriptive characteristics of transformational leadership style

Statement	N	Minimum	Maximum	Mean	SD
Instills/Inspire pride in me for being associated with him/her	354	2.00	5.00	3.2401	.83918
Acts in a way that builds my respect	354	2.00	4.00	2.5339	.61633
Goes beyond self-interest for the good of the group	354	2.00	4.00	2.3136	.58835
Displays a sense of power and confidence	354	1.00	3.00	2.0621	.50671
Talks optimistically about the future	354	1.00	3.00	2.0960	.53420
Seeks different perspectives when solving problems.	354	1.00	3.00	1.6384	.60150
Critical assumptions reexamining to questions when required	354	2.00	4.00	2.8785	.54740

Source: Survey Data

As indicated in the table above, all statement scores less than the midpoint averaged 3 scale except the point being inspired for being related with their leaders with the highest score 3.24 and the next highest mean score is Re-examines critical assumptions to questions when they are appropriate with mean score 2.87. Furthermore, Acts in a way that builds my respect, goes beyond self-interest for the good of the group, talks optimistically about the future and talks optimistically about the future took their position respectively while seeks different perspectives when solving problems is the lowest mean score in the transformational leadership exercise though as per the employee's response with 1.64 mean score.

Thus, as per the data presented in the table, ethio telecom employees responded that most of the statement recommended to be highly exercised by transformational leaders are not applied in the company and/or exercised once in while only.

The below table indicates the agreement and disagreement level of employees on transactional leadership exercised throughout the company using different factors.

Table 6: Descriptive characteristics of transactional leadership style

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Provides me with assistance in exchange for my efforts.	354	1.00	3.00	2.2627	.62199
Makes it clear on what one can expect to receive when performance goals are achieved	354	2.00	3.00	2.4576	.49891
Expresses satisfaction when I meet expectations.	354	2.00	3.00	2.1638	.37066
Fail to interfere until problems become serious	354	2.00	3.00	2.3475	.47684
Shows that he/she is a firm believer in "If it isn't broken, don't fix It."	354	2.00	4.00	2.5989	.66273

Source: Survey Data

As the data indicated in the above table, all the questions are gets below the mid points which means all the listed statements are exercised in the company only once in a while. For instance, the question about if the leaders are showing firm believers which gets the highest mean score (2.59) but still its below the average point. And expression of leader's satisfaction during meeting expectations gets the lowest mean score (2.16) the others remaining are getting the all the below the average points as stated in the table.

The below table indicates the agreement and disagreement level of employees on laissez faire leadership exercised throughout the company using different factors.



Table 7: Descriptive characteristics of laissez faire leadership style

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Is absent when needed	354	2.00	4.00	3.5734	.66177
Delays responding to urgent questions	354	1.00	3.00	3.0763	.66251
Avoids making decisions	354	1.00	3.00	2.6723	.55310
Avoids getting involved when important issues arise	354	2.00	4.00	3.4859	.66569

Source: Survey Data

As indicated in the above table, most of the statement are scored above the midpoint mean scale. Is absent when needed the highest mean score in this leadership style from the responders with 3.57 mean score which implies leaders are regularly absent when needed and the lowest mean score is recorded by avoids making decisions which is close to the mid-point scale. avoids getting involved when important issues arise and delays responding to urgent questions are scored the next level respectively.

#### 4.2.3. Analysis of Statistics of overall Job Satisfaction

The below table indicates the satisfaction and dissatisfaction level of employees on overall job satisfaction throughout the company using different factors. Different factors are used to measure the job satisfaction level of ethio telecom employees i.e., Pay, Nature of work, Promotion, Coworkers, Benefits and Supervision.

Table 8: Descriptive characteristics of overall Job Satisfaction

Descriptions	N	Mean	Std. Deviation
Pay	354	2.7768	.63373
Nature of Work	354	2.0763	.51861
Promotion	354	3.0904	.73963
Coworkers	354	3.0650	.55186
Benefits	354	1.9096	.77698
Supervision	354	1.8249	.60485

Source: Survey data

As the data presented in the table, promotion (3.09) and coworkers (3.06) get the highest mean score and the next highest score respectively from the employees' feedback which implies ethio telecom is good at providing promotion and better quality in coworkers relationship which responded as satisfactory level. And supervision recorded the lowest mean score (1.82) which shows supervisory activity is the highest employees dissatisfaction factors in the company. And also, it indicates the employees are dissatisfied by Pay (2.77) which is followed by nature of work (2.07) and benefits (1.9).

#### 4.2.4 Correlation Analysis

Table 9: Correlation Matrix

Variables		Transformational leadership	Transactional leadership	Laissez-faire leadership	Job Satisfaction
<b>Transformational leadership</b>	Correlation	1			
	Sig. (2-tailed)				
	N	354			
<b>Transactional leadership</b>	Correlation	.431**	1		
	Sig. (2-tailed)	.000			
	N	354	354		
<b>Laissez-faire leadership</b>	Correlation	.522**	.765**	1	
	Sig. (2-tailed)	.000	.000		
	N	354	354	354	
<b>Job Satisfaction</b>	Correlation	.798**	.634**	.763**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	354	354	354	354

Note: All correlation coefficients are significant at 1%.

Source: Survey data

The instrument is shown in the table 3, using the Pearson correlation coefficient between the independent variables and Job Satisfaction. The table shows that all coefficients are significant at the 0.01 level and employed two-tailed correlation to test the validity of the variables. The method used shows the correlation between the dependent variable and all the independent variables.

And the result illustrated, all independent variables were found to be significantly correlated with the dependent variables of job satisfaction.

### 4.3. Regression Analysis

linear multiple regression analysis was conducted to test the relationship among independent variables and dependent variable in the study since multiple Regression analysis technique used to investigate the effect of one or more predictor variables.

Table 10: Summary

Model	R	R Square	Adjusted Square	R	Standard Error of the Estimate
1	.897 <sup>a</sup>	0.804	.803		0.24403

a: Predictors (Constant), Laissez faire, Transformational, Transactional

Source: Survey data

The adjusted R square coefficient of determination is explaining how the dependent variable Job Satisfaction varied with Transformational leadership, Transactional leadership and Laissez faire leadership. All the independent variables that were studied, explain 80.4% of the leadership style affects job satisfaction as represented by the  $R^2$ . Consequently, a future study should be conducted to explore the others remaining effects (19.6%) which impacts ethio telecom employees overall job satisfaction.

Table 11: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	57.076	3	18.253	43.551	.000 <sup>b</sup>
Residual	33.594	350	.261		
Total	90.670	353			

As the table indicates, the research shows the significance value is .000 which is less than 0.05 thus the model is statistically significant in envisaging Transformational leadership, Transactional leadership and Laissez faire leadership.

Table 12: Coefficient of determination

<b>Coefficient of determination</b>			
<b>Model</b>	<b>Unstandardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>		
Transformational Leadership	0.483	3.452	.001
Transactional Leadership	0.367	2.177	.030
Laissez Faire	0.086	1.509	.000

As the data presented in the above table transformational leadership style has more effect on the overall employee job satisfaction and statistically significant. Unstandardized Coefficients of transformational leadership is 0.483 which implies that when transformational leadership style exercised throughout the company the overall employee job satisfaction will increase by 48%.

Transactional leadership style has high effect on the overall employee job satisfaction next to transformational leadership style with 0.367 unstandardized coefficients. Which implies that when transactional leadership style exercised throughout the company the overall employee job satisfaction will increase by 37%. Laissez Faire leadership style has effect on the overall employee job satisfaction and statistically significant 0.086 unstandardized coefficients.

#### 4.4. Hypothesis testing

##### ***H1: Transformational Leadership is positively and significantly related with employee job satisfaction***

As the data presented in the above table, transformational leadership style has more effect on the overall employee job satisfaction and statistically significant. Unstandardized Coefficients of transformational leadership is 0.483 and sign value of  $p = 0.001 < 0.05$ . which implies that when transformational leadership style exercised throughout the company the overall employee job satisfaction will increase by 48%. Thus, this hypothesis is accepted.

##### ***H2: Transactional Leadership is positively and significantly related with employee job satisfaction***

As the data presented in the above table, transformational leadership style has more effect on the overall employee job satisfaction and statistically significant.

Unstandardized Coefficients of transformational leadership is 0.367 and sign value of  $p = 0.030 < 0.05$ . which implies that when transformational leadership style exercised throughout the company the overall employee job satisfaction will increase by 37%. Thus, this hypothesis is accepted.

***H3: Laissez Faire Leadership is negatively and significantly related with employee job satisfaction***

As the data presented in the above table, transformational leadership style has more effect on the overall employee job satisfaction and statistically significant. Unstandardized Coefficients of transformational leadership is 0.086 and sign value of  $p = 0.000 < 0.05$ . which implies that when transformational leadership style exercised throughout the company the overall employee job satisfaction will increase by 9%. Thus, this hypothesis is accepted.

Table 12: Summary

No.	Hypothesis	Result
H1	Transformational Leadership is positively and significantly related with employee job satisfaction	Accepted
H2	Transactional Leadership is positively and significantly related with employee job satisfaction	Accepted
H3	Laissez Faire Leadership is negatively and significantly related with employee job satisfaction	Accepted

## CHAPTER FIVE

### 5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

In this chapter, the finding's summary presented from the analysis done in the previous chapter and conclusion and recommendation are drawn from the result of the study.

#### 5.1. Summary of Findings

The study has applied multiple regression analysis and correlational matrix to explore the relationship between the dependent variable and independent variables of the research which is the effect of leadership style on employee job satisfaction.

The findings in the previous chapter discovered that there is a significant relationship between all the independent variables i.e., Transformational leadership style, Transactional leadership style and Laissez fair leadership style and the dependent variable Employee Job satisfaction. The effect are shown from the highest effect by transformational leadership style followed by remaining Transactional leadership style and Laissez fair leadership style respectively.

#### 5.2 Conclusion

From the analysis of the data collected, it can be concluded that:

- Transformational leadership style and employee job satisfaction are significantly related, and Transformational leadership style has more effect on employee job satisfaction in comparison to the other leadership style practicing in ethio telecom. As this leadership style highly affects the job satisfaction of ethio telecom employees' the company should work to enhance the quality of transformational leadership style practices.
- Transactional leadership style is the second biggest variable to affect the employees job satisfaction in ethio telecom. Transactional leadership style and employee job satisfaction have statistically significant relationship.
- Though, Laissez fair leadership style is he last variable to affect the employees job satisfaction of ethio telecom, it has statistically significant relationship with employee job satisfaction of ethio telecom. The finding clearly indicated that Laissez fair leadership style practice created dissatisfied employees throughout the company.

- Finally, though all the leadership style affects the employees job satisfaction in ethio telecom, the company should focus more on the transformational leadership style to be exercised by its management to maintain the satisfaction of its employees.

### 5.3. Recommendations

The below recommendation is drawn from the analysis and conclusion made, which suggested to be considered by ethio telecom management to enhance the employee job satisfaction of the company and create harmonies relationship between the employees and its management team.

- Leadership development program is the first thing to be considered by the ethio telecom management to augment the knowledge of all its leaders on practicing leadership styles considering the work environment and in addition to putting in place the right leaders in the right place.
- Having strong training and development program to build the capacity of the leaders in the company, through trainings, brains storming session, panel discussions and competency assessment.
- Unlike the Laissez fair leadership style, which is practicing in the company, ethio telecom leaders should adopt more transformational leadership style and transactional leadership style as needed to improve the satisfaction of employees in ethio telecom. Having more transformational leaders will lead the company to have very satisfied employees and increase the productivity.
- Conducting job satisfaction survey is very recommended throughout the company on timely manner to have visible check and balance for any corrective and preventive action to be taken.

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## Appendix

### QUESTIONNAIRE

Dear respondents, the objective of the questionnaire is to explore the leadership style of current ethio telecom management and employee job satisfaction. The study is purely for academic purpose and thus not affects you in any case. So, your genuine, frank and timely response is vital for successfulness of the study. Therefore, I kindly request you to respond to each items of the question very carefully. Accordingly, I would like to thank you in advance for your volunteer participation.

#### *General Instructions*

- There is no need of writing your name
- Where answer options are available please tick (✓) in the appropriate box.

#### **Contact Address**

If you have any query, please do not hesitate to contact me and I am available as per your convenience at (Mobile: 0911-51-03-96 or e-mail: [tgsanja@gmail.com](mailto:tgsanja@gmail.com))

*Thank you in advance for scarifying your precious time!*

#### **Demographic Data:**

1. Gender:

Male    Female

2. Age:

23 – 25 years    26 – 35 years    36 – 45 years    55 years and above

3. Educational Qualification:

Diploma    BA/BSc Degree    MA/MSc Degree    PHD

4. Service Year

1 – 5 years    6 – 10 years    11 – 15 years    More than 16 years

**Leadership Style Questions:**

The 5-point Likert scale prepared for this purpose:

**1=Never      2= Once in a while      3=Sometimes      4= Fairly often      5=Always**

No.	Statement	Scale				
		1	2	3	4	5
<b>My supervisor:</b>						
1	Instills pride in me for being associated with him/her					
2	Acts in a way that builds my respect					
3	Goes beyond self-interest for the good of the group					
4	Displays a sense of power and confidence					
5	Talks optimistically about the future					
6	Seeks different perspectives when solving problems.					
7	Re-examines critical assumptions to questions when they are appropriate					
8	Provides me with assistance in exchange for my efforts.					
9	Makes it clear on what one can expect to receive when performance goals are achieved					
10	Expresses satisfaction when I meet expectations.					
11	Fail to interfere until problems become serious					
12	Shows that he/she is a firm believer in "If it isn't broken, don't fix it."					
13	Is absent when needed					
14	Delays responding to urgent questions					
15	Avoids making decisions					
16	Avoids getting involved when important issues arise					

Multi-factor Leadership Questionnaire (MLQ) Rater Form

**Job Satisfaction Questions:**

The 5-point Likert scale prepared for this purpose:

**1= Strongly Disagree      2= Disagree      3=Neutral      4= Agree      5= Strongly Agree**

No.	Statement	Scale				
		1	2	3	4	5
<b>Pay</b>						
1	I feel I am being paid a fair amount for the work I do.					
2	Raises are too few and far between.					
3	I feel unappreciated by the organization when I think about what they pay.					
4	I feel satisfied with my chances for salary increases					
<b>Nature of work</b>						
1	I sometimes feel my job is meaningless					
2	I like doing the things I do at work					

3	I feel a sense of pride in doing my job					
4	My job is enjoyable					
<b>Promotion</b>						
1	There is really too little chance for promotion on my job.					
2	Those who do well on the job stand a fair chance of being promoted.					
3	People get ahead as fast here as they do in other places.					
4	I am satisfied with my chances for promotion.					
<b>Coworkers</b>						
1	I like the employees I work with					
2	I find I have to work harder at my job because of the inability of employees I work with					
3	I enjoy my co-workers					
4	There is too much arguing and fighting at work					
<b>Benefits</b>						
1	I am not satisfied with the benefits I receive.					
2	The benefits we receive are as good as most other organizations offer.					
3	The benefit package we have is equitable.					
4	There are benefits we do not have which we should have					
<b>Supervision</b>						
1	My supervisor is quite competent in doing his or her job					
2	My supervisor is unfair to me					
3	My supervisor shows too little interest in the feelings of employees					
4	I like my supervisor					

Job satisfaction survey (JSS) by Paul E. Spector